

REMARKS

Reconsideration and allowance in view of the foregoing amendment and the following remarks is respectfully requested. Claims 1-3 and 5 remain pending in the application. Claims 1-2 have been amended. Claim 1 is independent and claims 2, 3 and 5 are dependent. Claim 4 has been cancelled.

This amendment accompanies a Request for Continued Examination. Applicant notes that the Advisory Action dated March 25, 2005, refused entry of the amendment filed on March 10, 2005, which was responsive to the final Official Action dated January 27, 2005. This RCE and amendments is being filed within three months of the mailing date of the Final Office Action and as such no extension of time fee is deemed necessary.

Claims 1 and 2 have been amended to include the term "variably applied." Support for the amendment "variably applied" is found in paragraphs 0002, 0021 and the abstract. Claim 1 has been amended to include the features of former claim 4.

In the final Office Action dated January 27, 2005 claims 1-5 are present rejected under 35 USC 103(a) as being unpatentable over any one of Fischer et al US 3,108,824, Nelson US 3,895,220 or Kachi et al US 4,658,125 in view of Deetz US 5,843,329. Applicant respectfully requests reconsideration.

Independent claim 1 provides for a unique communication substrate in which ferromagnetic material is applied in a variable pattern to create the personalized message of the communication. Heretofore, personalized business communications were produced using inks and toners to create human readable indicia. The inventors are unaware of the use of magnetic material to create a variably applied image that forms the personalized message.

The inventors of the present invention have developed unique slurry, that has magnetic properties which allow the magnetic material to be used in generating a personalized communication. The art is simply devoid of any such teaching or disclosure.

The references of record use ink containing iron particles to create bars, dots, MICR numbers and the like. None of the references of record teach or disclose using a magnetic slurry to create personalized magnetic messages.

To establish *prima facie* obviousness of a claimed invention, all of the claim limitations must be taught or suggested by the prior art. *In re Royka*, 180, USPQ 580 (CCPA 1974) (M.P.E.P. 2143.03). None of the cited reference teach, suggest or disclose the use of variably applied magnetic material to create a personal, business or marketing communication. The printing of MICR numbers as in Fisher et al., encodable magnetic bars of Nelson et al. or data trains of Kachi et al. provide no scintilla of motivation to create a personalized, magnetic message for a recipient. Indiscrete bars, trains, numbers would not convey any sort of message to a recipient as such information is only intended to be read by a machine such as a scanner and not by the human recipient. Such bars, trains and numbers are not provided or produced in variable patterns, but rather they are prepared in predetermined sequences in predefined areas, so as to be useable by scanners. There simply is no variable pattern, and each of these elements (numbers, bars, trains) appear in the same place so that they can be read by the equipment.

Moreover, none of the cited references teach or disclose the use of a personalized magnetic communication and the instant Official Action does not address applicant's arguments concerning the absence of the critical limitation of a personalized magnetic communication that is used to create a unique message. "Printed matter" can indeed

provide patentable weight to the structure of the claim, provided such limitations constitute structural limitations to the claim, which is the case with the present application.

The Examiner relies on Sterling and the “rule of universal application” of Conover to suggest that the claims of the instant application are not patentable subject matter because of the inclusion of printed subject matter. The application of such per se rules is generally impermissible. “The use of per se rules, while undoubtedly less laborious than a searching comparison of the claimed invention – including all its limitations – with the teachings of the prior art, flouts §103 and the fundamental case law applying it. Per se rules that eliminate the need for fact – specific analysis of claims and prior art may be administratively convenient for PTO Examiners and the Board. Indeed, they have been sanctioned by the Board as well but reliance on per se rules of obviousness is legally incorrect and must cease. Any such administrative convenience is simply inconsistent with §103, which, according to Graham and its progeny, entitles an applicant to issuance of an otherwise proper patent unless the PTO establishes that the invention as claimed in the application is obvious over cited prior art, based on the specific comparison of that prior art with claim limitations. We once again hold today that our precedence do not establish any per se rules of obviousness just as those precedence themselves expressly declined to create such rules. Any conflicts as may be perceived to exist derive from an impermissible effort to extract per se rules from decisions that disavow precisely such extraction.” In re Michihiko Ochiai et al., 71 F.3d 1565; 37 USPQ 2d 1127 (Fed. Cir. (1995).

The claims of the present invention include a combination of structural and functional limitations that are simply not found in the prior art, nor is there any suggestion in the cited references relating to the creation of personalized magnetic messages through the use of a magnetic slurry that conveys unique information and

which is provided in a unique, variable pattern. The Examiner has simply discounted these limitation based on the “rule of universal application” which deprives the applicant of a thorough review of the claims and consideration under section 103.

Moreover, the printing industry regularly seeks and obtains patents for innovative products and solutions which contain structural limitations that relate to the use or inclusion of indicia and other printed material. If adoption of this “rule of universal application” was universally applied, patents issuing to the printing industry would be significantly curtailed and innovation in industry would be stifled. “Progress in the crowded arts, usually made in small increments, is as important as it is in arts at the pioneer stage. The Constitution envisages and seeks progress in the “useful arts,” not just in those more esoteric or scientific.” In re Meng, 181 USPQ 94, 97 (CCPA 1974).

Since Sterling and Conover there have been a litany of cases that have held that claims which include the use of a printed matter to provide additional structural or functional limitations are indeed patentable. Here, variable patterns, personalized magnetic messages, unique information all provide structural and/or functional limitations to the claims. There is no teaching or suggestion in the cited art.

See for example, In re Miller, 418 F.2d 1392, 164 USPQ 46 (CCPA 1969). This case involved a measuring devise designed to enable cooks to prepare fractional recipes without having to compute and measure out such quantities as 1/3 of a 2/3 cup. Miller’s invention consisted of proportionally-scaled measuring cups and spoons. For example, a measuring cup may be designated as “one-half recipe” and then calibrated in the normal fashion of ¼ cup, 1/3 cup, 1 cup, etc. The Patent Office rejected the claims as being unpatentable printed matter. The court reversed and held:

“As for the examiner’s characterization of the indicia and legend as “unpatentable printed matter we note that the examiner himself recognizes

the fact that printed matter, in an article of manufacture claim, can be given "patentable weight."...His characterization of printed matter as "unpatentable" is beside the point; no attempt is here being made to patent printed matter as such. The fact that printed matter by itself is not patentable subject matter, because non-statutory, is no reason for ignoring it when the claim is directed to a combination. Here there is a new and unobvious functional relationship between a measuring receptacle, volumetric indicia thereon indicating volume in a certain ratio to actual volume, and a legend indicating the ratio, and in our judgment the appealed claims properly define this relationship." *Id.* at 1396 (emphasis added).

As in *Miller* there is a new and unobvious functional relationship between the substrate and the indicia printed thereon, that of conveying a unique and personalized communication to the recipient through the use of magnetic materials. Applicant is not seeking to patent printed matter, but rather a communication piece that is provided with a variable pattern that includes a personalized magnetic message through the use of a magnetic slurry which heretofore was unknown. It is the combination of this substrate, the slurry, the message and other limitations that applicant seeks to patent. Each of these limitations must be considered in making a determination of patentability.

The relationship of the pattern, slurry, message and substrate are each structural limitations contained within the claims and must each be considered in determining patentability, see *In re Royka*, 180 USPQ 580, 583 (CCPA 1974):

"As to claim 36, the examiner said it 'is merely a printed matter variation of the design of the reference' Reid. This is not a valid reason for rejection. Printed matter may very well constitute structural limitations upon which patentability can be predicated....The limitations of claim 36 are not remotely suggested by Reid."

See also, *In re Gulack* 703 F.2d 1381, 1385, 217 USPQ 401 (CAFC 1983)

"Difference between an invention and the prior art cited against it cannot be ignored merely because those difference reside in the content of the

printed matter. Under section 103, the board cannot dissect a claim, excise the printed matter from it, and declare the remaining portion of the mutilated claim to be unpatentable. The claim must be read as a whole.”

“A functional relationship of the precise type found by the CCPA in *Miller* --to size or to type of substrate, or conveying information about substrate—is not required. What is required is the existence of *differences* between the appealed claims and the prior art sufficient to establish patentability. The bare presence or absence of a specific functional relationship, without further analysis, is not dispositive of obviousness. Rather, the critical question is whether there exists any new and unobvious functional relationship between the printed matter and the substrate.” *Id.* at 1387.

“We reject the board’s conclusion that there is no functional relationship between the printed matter and the substrate of the appended claims. Such a relationship does exist and it is different from the relationship exhibited by the corresponding elements of the Wittcoff reference.” *Id.* at 1388.

Again, the differences between the claims of the present invention reside in the use magnetic material to create a unique communication that is personalized to the recipient. The feature of the message cannot be excised by the Examiner prior to considering the claim. Such a combination of features is unknown in the prior art and each feature or limitation must be given consideration when determining the patentability of the claims. As stated by the CAFC “the critical question is whether there exists any new and unobvious functional relationship between the printed matter and the substrate.” *Id.* at 1387. That question is answered affirmatively in connection with the instant application.

Finally, applicant in conducting a search on the United States Patent and Trademark Office website (www.uspto.gov) and using a combination of terms such as

“variable” or “variably” and “indicia” or “print” or “printed” and searching only the claim index (ACLM) applicant received more than 3500 hits with patents containing these terms in the claims of the patents. While admittedly, a number of these hits did not relate to communication documents, patents issuing as recently as February 2005 were in applicant’s field of endeavor and further illustrate that printed matter serving as functional and or structural limitations in the claims have continued to be regularly issued by the Patent Office.

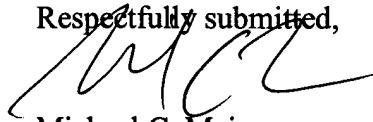
With respect to the Examiner’s comments concerning the particular formulation used in carrying out the invention that there is no particular showing of “criticality” for the claimed ranges. Applicant would point out that “criticality” and solving a stated problem are not criteria for patentability. What is necessary in references to defeat patentability is a suggestion or teaching for the combination of references. There must be motivation to make the combination. As stated in Gambro Lundia AB v. Baxter Healthcare Corporation, 42 USPQ 2d 1378, 1383, 1384 (Fed. Cir. 1997):

“Thus, the obviousness question is whether the prior art would teach one of ordinary skill in this art to employ valves for recalibration during dialysis. The district court found that those skilled in the art were clearly aware of the possibility of recalibrating during dialysis, and that substituting a system of computer-controlled valves for the system of hoses in the UFM 1000 and the DM 358 was obvious to those skilled in the art at the time of the invention. However, the record must provide a teaching, suggestion or reason to substitute computer-controlled valves with a system of hoses in the prior art. The absence of such a suggestion to combine is dispositive in an obviousness determination.”

Here the cited references do not suggest use of the particular formulation to provide a personalized magnetic message as part of a business communication. Thus, there is no teaching or motivation in the art to support the rejection.

All objections and rejections having been addressed, it is respectfully submitted that the present application is in condition for allowance and an early Notice to that effect is earnestly solicited. The Examiner is encouraged to contact the undersigned in the event any small matters remaining outstanding so as to eliminate the necessity of another action and response.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. C. Maier', written over the typed name.

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